

EXHIBIT 128

From: Linda Woodruff <law11@nyu.edu>
Sent: Friday, June 17, 2011 1:39 PM
To: law11@nyu.edu
Cc: Martin Dorph; Tina Surh; Richard N Bing; Katie Casey- Vice President for Human Resources; Sanchez, Nancy; Meagher, Margaret; Michael T Burke; Thomas M Feuerstein; Susanna M Hollnsteiner; Terrance Nolan; Johnson, Cynthia; Levy, Jeffrey; Rezler, Jan; Gerry Janecko; Kimberly Canzani; Marian Jakubiak; Mirta Salomon; Lynda VanWart; Ortiz, Joanne; Lori T Derstine; Wells, Gertrude; Wrightson, Emily
Subject: Re: June 9 Retirement Committee Materials
Attachments: NYU_Investment Policy Statement_Approved Working Draft June 2011.Doc

For your records, I am attaching the "approved working draft" of the Investment Policy Statement

On 6/2/2011 12:33 PM, Linda Woodruff wrote:

> All,
>
> Attached please find materials for next Thursday's 11:00 am - 1:00 pm
> Retirement Committee meeting.
> Location: Bobst Soho conference room
> Call in: 800-326-0013 code 4993086
>
>
> Agenda is as follows:
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> 1) Approve Minutes of April 1, 2011 meeting (draft attached)
> 2) Approve Investment Policy Statement ("final" and red-lined version
> based on committee comments attached)
> 3) Review Q1 2011 Fund Performance (abridged report and full report
> attached, copies of abridged version will be available at the meeting)
> - includes watch list fund review
> - article "Too much choice"
> 4) Update on 403(b) plan audit, 5500 filing and IRS questionnaire
> (copy of filed questionnaire attached)
>
> There is a potential additional agenda item (draft committee charter)
> but materials may not be ready for this meeting. I will send the
> material if it becomes available for the meeting.
>
>
> Also attached is an updated committee calendar with confirmed future
> meeting dates,times and potential agenda items.
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> If you have any questions please feel free to contact me.
>
> Talk to you soon
> Linda
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Linda Woodruff, SPHR
Associate Vice President Global Compensation& Benefits& Deputy of HR
New York University
726 Broadway 8th Floor
New York, NY 10003
Phone: 1-212-998-1293
Fax: 1-212-995-4054
E-mail: Linda.woodruff@nyu.edu

INVESTMENT POLICY STATEMENT

**For
The Defined Contribution Retirement Plans
Of
New York University,
NYU Langone Medical Center, and
NYU Polytechnic**

Working Draft

Approved on June 9, 2011

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Background

The Defined Contribution Retirement Plans of New York University, NYU Langone Medical Center, and NYU Polytechnic (the “Plans”) are defined contribution retirement savings plans maintained by New York University, NYU Langone, and NYU Polytechnic (collectively, the “Plans’ Sponsors”) for eligible employees in accordance with the terms, conditions, and provisions of the Plans, as set forth in governing Plan documents for each individual plan.

Benefits in the Plans are funded by employee salary deferral contributions and/or employer contributions.

Notwithstanding any provision of this Investment Policy, if any term or condition of this Investment Policy conflicts with the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or any term or condition in either of the Plans, ERISA and the applicable terms and conditions of the Plans shall control.

Statement of Purpose

In general, the purpose of this Investment Policy is to outline objectives which will guide the Plan Sponsor’s Retirement Committee (the “Committee”) in its selection and monitoring of the investment options in the Plans. The Investment Policy is intended to incorporate sufficient flexibility so as to accommodate current and future economic and market conditions, as well as any changes in applicable statutory and regulatory requirements.

A primary objective of the Committee is to provide participants with a diverse set of investment options which encompass a variety of risk/return characteristics from which a Plan participant can self-direct his or her portfolio in a diversified manner. The Plans are intended to comply with ERISA Section 404(c), and the choice disclosure required by the regulations will be met.

The Committee has established and will maintain this Investment Policy to be consistent with the Plans’ primary purpose of long-term investing for retirement.

Committee Responsibilities

The Committee shall discharge its duties solely in the interest of the Plans and the Plans’ participants (and their beneficiaries), with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character, and with like aims. To the extent consistent with the “Retirement Committee Charter” adopted by the Plan Sponsor, the responsibilities of the Committee relating to the oversight of the Plans’ investment options include:

- Develop and implement investment policies that will apply to the Plans, which policies shall include (among other things) a description of investment goals and objectives, the procedures the Committee may follow in discharging its responsibilities, the measuring tools for ongoing performance assessment, and the manner in which the activities of the Committee will be documented;

- Select, monitor and modify vendors that provide investment options under the Plans, including adding and/or removing investment providers;
- Select, monitor and modify individual investment options available under the Plans, including adding, removing, and/or suspending the availability of individual investment options;
- Engage one or more investment advisors, investment managers or consultants to assist the Committee in evaluating investment providers and/or investment options, as well as the investment information provided to Plan participants; and
- Perform such other duties as may be delegated or assigned to the Committee by the Board of Trustees.

The Committee shall meet at least annually and more frequently as needed. The Committee shall have complete discretion to interpret this Investment Policy.

Use of Consultants/Service Providers

The Committee may, in its sole discretion, retain the services of outside consultants and other professionals. The functions of these professionals may include, but are not limited to, the following:

- rendering their recommendations and insights on the policies regarding investment option monitoring and selection;
- providing reviews of the competitiveness of each Plan's investment options;
- providing reviews of each Plan's utilization and asset allocation; and
- reviewing and evaluating Plan communications.
- assisting in evaluating needs of Plan participants based on demographics
- providing guidance on changes to law and public policy

Selection of the Investment Options

In selecting investment options for the Plans, the Committee shall take into account some or all of the following criteria, as the Committee deems appropriate:

- each option should have a minimum track record of three years (this requirement may be relaxed for index funds);
- performance as compared to a stated benchmark and/or an appropriate peer group(s);
- risk measures versus that of the benchmark and/or peer group;
- risk-adjusted performance versus that of the benchmark and/or peer group;
- organizational structure and stability of fund personnel;

- manager tenure – lead fund manager should have at least 3 years experience with the fund or similar investment style;
- the fees and expenses assessed by the investment vehicle, as well as the impact of offering the investment vehicle on the overall fees and expenses associated with managing the Plans; and
- qualitative characteristics such as management strategy, portfolio turnover, fund family stewardship grades and recent portfolio activity compared to current market conditions.

Selection of Fixed Interest / Stable Value Option

In selecting any fixed interest/stable value option, the Committee shall take into account some or all of the following criteria, as the Committee deems appropriate (should the Committee choose to offer such an option):

- financial strength ratings of the guarantor provided by the major ratings agencies;
- interest rate history and minimum guaranteed contract rate;
- contract liquidity provisions;
- current and historical market to book value ratio (stable value funds only); and
- comparison between fixed interest accounts (backed by general assets) and stable value accounts (backed by separate account).

Monitoring of Investment Options

The Committee shall monitor all Plan investment options at least annually, or more frequently as circumstances warrant. As part of its monitoring process, the Committee shall consider the following:

	Measure	Goal(s)
Performance	▪ 3 & 5 year record	▪ Reasonable vs Appropriate Index
Performance Category Ranking	▪ Morningstar 3 & 5 years category percentile ranking	▪ Percentile rank of 60 or below for 3 & 5 years (where a percentile ranking of 1 is best)
Risk	▪ 3 year standard deviation	▪ Reasonable vs. Peer Group average
Risk-Adjusted Performance	▪ Morningstar Star Rating ▪ 3 year Sharpe Ratio	▪ 3, 4 or 5 stars ▪ Reasonable vs. Peer Group average
Expense Ratios	▪ Total expenses	▪ Lower than Peer Group average
Investment Objective/Style	▪ Style purity	▪ Funds' adherence or lack of adherence to style, as measured by the Morningstar style box, shall be noted and evaluated for reasonableness.

In addition, the Committee will consider any changes or developments at the investment sponsor and/or the mutual fund, as applicable.

The Committee may, from time to time as warranted, modify these objectives and criteria, or may consider other objectives and criteria, all according to the Committee's discretion as it deems appropriate.

Investment options that do not meet the Committee's expectations may be placed on "watch." Investment options that consistently do not meet the Committee's expectations may become candidates for replacement. Prior to making any decisions to remove or substitute an investment option, and in light of the Committee's fiduciary responsibilities, the Committee will take into account the following additional considerations in their complete evaluation of the competitiveness of the investments:

- the investment option's long-term investment performance on a rolling basis (including performance over periods of more than five years, if available) or alternately, the investment option's short-term performance;
- recent sub-advisory changes, fund restructurings or management changes designed to correct deficiencies;
- the appropriateness or relevance of a fund's stated universe, since funds may be misclassified or poorly classified;
- the investment option's adherence to a stated investment style, whether or not that investment style has been in or out of favor;
- unusual market circumstances or volatility; and
- the degree to which the investment option has reduced or controlled risk, which constrains the investment option's ability to outperform by significant amounts.

The Committee has the authority to remove an investment option if, in the opinion of the Committee, the investment option does not or is not expected to, meet the specified criteria or is no longer suited to either or both of the Plans and Plan participants, without regard to whether the investment had previously been placed on "watch".

Monitoring Fixed Interest / Stable Value Option

The Committee shall monitor any fixed interest/stable value option at least annually, or more frequently as circumstances warrant. As part of its monitoring process, the Committee shall consider the following:

- financial strength ratings of the guarantor provided by the major ratings agencies;
- current interest rates; and
- current market to book value ratio (stable value funds only).

Summary Statement

This Investment Policy shall guide the Committee and shall remain in effect until amended by the Committee in accordance with the terms set forth herein. Nothing contained in this Investment Policy shall give any right to any participant or beneficiary to enforce the terms of this Investment Policy, and the Committee shall have full and complete discretion regarding the investment options offered within the Plans and the application of this Investment Policy to any specific situation.

Adopted by the Committee this _____ day of _____, 2011, as evidenced by the signature of the Committee Chair below.

Retirement Committee Chair